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SUBJECT: LEADING TURKISH BUSINESS COUNCIL ELECTS NEW CHAIRWOMAN

**¶1.** (SBU) (Summary). To no one's surprise, on January 19 leading Turkish NGO TUSIAD (Turkish Industrialists and Businessmen's Association) elected Umit Boyner as its new Chair, replacing outgoing Chairwoman Arzuhan Dogan Yalcindag. A new board of directors was also elected. The election took place during TUSIAD's 40th ordinary general assembly meeting, with Boyner and the new board receiving 198 votes out of a total of 200. In her acceptance remarks Boyner alluded to Turkey's lack of a comprehensive strategy to deal effectively with issues like unemployment, adding that the lack of a healthy environment in which to discuss this is "not an acceptable situation." End summary.

TUSIHAD?  
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**¶2.** (U) Boyner, whose professional portfolio includes responsibility for financing and investments at Boyner Holding, a Turkish retail empire that includes department stores and clothing manufacture and distribution, is the second consecutive woman to chair TUSIHAD, prompting quips that the association should change its name to TUSIHAD (Turkish Industrialists and Business (woman's) Association). The new chairwoman, born in 1963, attended high school and the University of Rochester in the United States, and spent 20 years at Chemical Bank. At Boyner Holding she developed Advantage, Turkey's most successful credit card brand, which was sold to HSBC in 2002 for USD 75 million.

NEW BOARD MEMBERS  
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**¶3.** (U) Elected to the Board of Directors as vice-chairs were Haluk Dincer, Chairman of Sabanci Holding Retail Group and Tayfun Bayazit, Koc Holding Banking and Insurance Group President. Dincer is also the Chairman of TAIK (Turkish-American Business Council), a quasi-governmental body engaged on bilateral economic relations with the United States. Cansen Basaran Symes, PriceWaterhouseCoopers Turkey President, will be TUSIAD's new Treasurer and Zafer Ali Yavan will remain TUSIAD's Secretary General. The other newly elected Board members were Lucien Arkas, Chairman of Arkas Holding; Mehmet Ali Aydinlar, Chairman of Acibadem Health Group; Erman Ilicak, Chairman of Ronesans Construction; Ali Kibar, Chairman and CEO of Kibar Holding; Volkan Vural, a Dogan Holding consultant and retired Ambassador, and Muhamrem Yilmaz, Chairman of Sutas.

THE NEW CHAIR'S PRIORITIES  
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**¶4.** (SBU) Boyner told TUSIAD members in Istanbul of the group's determination to pursue full EU membership for Turkey. She emphasized TUSIAD's support for "full democratization," adding that Turkey no longer wants to be

ruled by what she termed a "coup d'Etat Constitution." She also called for the annulment of the 10 percent election threshold, which prevents small parties in Turkey from sending deputies to Parliament.

¶5. (SBU) The new TUSIAD Chair stated that it is "unacceptable" for a G-20 member not to have a coherent strategy on how it will build its economic future, and added that TUSIAD will "emphasize the need to struggle against the informal economy and to develop innovative capacity." She also reaffirmed her organization's traditional support for Turkey's EU membership, and the importance of the IMF as a fiscal anchor for Turkey.

¶6. (SBU) Comment. Representing the country's most economically powerful players, TUSIAD is still probably Turkey's best known business NGO, and it remains a bastion of secularism with a distinctly pro-Western orientation. Until a few years ago many members of Turkey's business elite felt that they could communicate with the AKP, and they supported it when they felt that it was serving well Turkey's economy. The AKP's ongoing tax case against Dogan Holding has had a somewhat chilling effect on Turkey's upper level business community, including within TUSIAD, where the outgoing Chair is the daughter of Aydin Dogan. The somewhat combative tone of Boyner's first remarks as Chairwoman, however, may foreshadow more vocal criticism of the ruling party by the business elite, and sharpening public debate over GOT economic policy and the country's investment climate.

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